

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF ELKHORN WATER) CASE NO. 2012-00088
DISTRICT)

O R D E R

On March 8, 2012, Elkhorn Water District (“Elkhorn”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Elkhorn purchases water from Frankfort Electric and Water Plant Board (“Frankfort”).
2. On April 1, 2012, Frankfort increased its wholesale water rate to Elkhorn from \$1.81 per 1,000 gallons to \$1.91 per 1,000 gallons.²
3. In its application, Elkhorn misstates Frankfort’s current and proposed rate. However, this error does not adversely affect the calculation of the purchased water adjustment.
4. Elkhorn proposes to adjust its water rates effective April 18, 2012 to reflect the increased cost of purchased water.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2010-00485, Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board (Ky. PSC Mar. 16, 2011).

5. During the 12 months ending January 31, 2012, Elkhorn purchased a total of 63,191,400 gallons of water from Frankfort and sold 48,322,900 gallons of water. The increase in the cost of purchased water is \$6,319.14, resulting in a purchased water adjustment of \$0.13 per 1,000 gallons.

6. Elkhorn's proposed rates are fair, just, and reasonable and should be approved.

7. The purchased water adjustment of \$0.13 per 1,000 gallons is fair, just, and reasonable and should be approved.

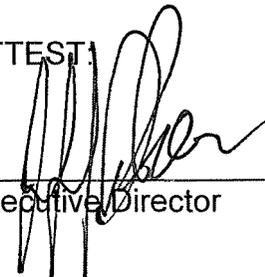
IT IS THEREFORE ORDERED that:

1. Elkhorn's proposed rates are approved.
2. The purchased water adjustment of \$0.13 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for service that Elkhorn renders on or after April 18, 2012.
4. The tariff sheet filed by Elkhorn is approved as filed.

By the Commission



ATTEST



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00088 DATED APR 09 2012

	New Rate	Base Rate	
Elkhorn Water			
Purchases in gallons	63,191,400	63,191,400	
Volumetric rate	<u>\$1.91/1,000</u>	<u>\$1.81/1,000</u>	
	\$120,695.57	\$114,376.43	
		Increased water cost	\$6,319.14
Increased water cost		\$ 6,319.14	
Divided by gallons sold		<u>48,322,900</u>	
Purchased water adjustment factor		\$0.13 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00088 DATED APR 09 2012

The following rates and charges are prescribed for the customers in the area served by Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Rates

5/8" X 3/4" Meters

First	2,000 Gallons	\$ 13.81 Minimum Bill
Next	3,000 Gallons	5.26 Per 1,000 Gallons
Next	5,000 Gallons	4.68 Per 1,000 Gallons
Over	10,000 Gallons	3.45 Per 1,000 Gallons

1" Meters

First	5,000 Gallons	\$ 29.59 Minimum Bill
Next	5,000 Gallons	4.68 Per 1,000 Gallons
Over	10,000 Gallons	3.45 Per 1,000 Gallons

1-1/2" Meters

First	10,000 Gallons	\$ 52.99 Minimum Bill
Over	10,000 Gallons	3.45 Per 1,000 Gallons

Mobile Home Parks

Monthly Minimum Bills

McConnell	15,000 Gallons	\$ 103.58
Elkhorn	76,000 Gallons	\$ 524.78
Capital	125,000 Gallons	\$ 863.13

Emergency Wholesale Rate

\$ 3.45 Per 1,000 Gallons

Garland Moore
Chairman
Elkhorn Water District
P. O. Box 67
Frankfort, KY 40602